

25 January 1988

STAT

[redacted]
Chief, FBIS Okinawa Bureau

Dear [redacted]

STAT

With the value of the dollar slipping to about Y125, we feel it is time for the bureau to take a hard look at the TCN's plight.

The Japanese employees have been benefiting from the yen's appreciation. The Americans are paid according to the GS scale and receive a special overseas allowance in addition to post differential and COLA. We TCN'S have been affected the most by the rapidly depreciating dollar.

The dollar was used here before reversion. It was strong then. For the Government's convenience, the TCN pay schedule was tied to the American scale -- GS minus 30%. Later, as local conditions changed, the formula became GS minus 26%. After a PMCD survey in 1979, the current pay schedule, GS minus 15%, was established to ensure adequate compensation for the TCN's.

No one can deny that changes in the local conditions have been dramatic in the past several years. Therefore, it is obvious that another adjustment in the TCN's pay scale is due. The current formula for TCN pay schedule has become anachronistic for the following reasons:

1. When the formula (GS minus 15%) was established, the dollar was worth over 100% more than it is now.

2. The entry-level salary (December 1987), including bonus and allowances, of an MLC translator is over Y400,000 per month (or about \$40,000 a year, using \$1=Y125 for exchange rate). The entry-level salary (December 1987), including post differential and COLA, of a TCN translator is under \$18,000 per year. A TCN monitor with 10 years of service with the bureau can expect to receive only about \$30,000 a year, including post differential and COLA. It would seem that the gap between MLC and TCN salaries is too large and is widening.

3. Also, because of the weak dollar and strong yen, the prices of Japanese goods, especially agricultural produce, have risen sharply at the military stores while the off-base prices of U.S. goods have gone down, making BX/commissary privileges not quite as attractive as before. (A pound of lettuce last week cost \$2.38 in the commissary while one can buy two or three heads of lettuce for one dollar in the States. A used car which cost about \$1,200 a few years ago cannot be had now for less than \$2,500).

4. Most Okinawa Bureau monitors come from Taiwan. When the current TCN pay schedule was established in 1979, one U.S. dollar was worth NT\$42. Now, one U.S. dollar is worth only about NT\$28.40; it will most likely drop further. Many of us have our commitments in Taiwan dollars and other currencies, and have suffered considerable financial loss as a result.

The continuing decline of the U.S. dollar is having a serious impact on the quality of our lives. This cannot but affect the morale and job satisfaction of all the foreign national staff. Please look into our hardships, and initiate necessary action to rectify the situation. We request you to consider the following alternatives:

1. Remove the 15% difference, making TCN pay schedule at par with the GS scale.

2. Pay our salary in yen at Embassy scale, with bureau continuing to provide housing and education for dependent children (this is not unique since housing and education are paid for by FBIS to all TCN's worldwide).

Thank you.

Respectfully yours.

STAT